SENATE REPUBLICAN C A U C U S

TO:

Senate Republicans

FROM:

Ryan Smith

DATE:

February 16, 2000

SUBJECT:

Analysis of Assembly Bill 730/ Senate Bill 384

The following is a detailed analysis of Assembly Bill 730/Senate Bill 384, the Lambeau Field renovation plan. The Senate Committee on Lambeau Field is holding a public hearing on SB 384 on Thursday, February 17 in Green Bay. The Assembly Special Committee on Renovation of Lambeau Field is holding a public hearing on AB 730 in Green Bay on February 29. I will be attending the hearing tomorrow in Green Bay and will have a detailed memorandum on the hearing available on Friday, February 18. Please contact me if you have any questions.

Overview

Assembly Bill 730 and Senate Bill 384 represent the plan to renovate Lambeau Field. The plan calls for a \$295 million expansion and renovation of the Green Bay Packers home field. Over 10,000 new seats, an expanded Packer Hall of Fame, retail space and additional restrooms and concession stands are part of the proposed renovation. To pay for the work, the bill allows for Brown County residents to approve a 0.5% sales tax, which is expected to generate \$160 million. Season ticket holders will pay a personal seat license on their tickets, which will generate \$92.5 million. The plan also calls for the Packers to use \$20.4 million from proceeds on last year's stock sale and \$13 million from a loan from the NFL. The bill allows the Department of Transportation to make aid payments for transportation improvements related to Lambeau Field, but no money is appropriated in the bill for this purpose. A professional football stadium district, similar to the one employed in the Miller Park construction process, is created by the bill to administer the renovation plan and issue bonds related to the renovation plan.

Stadium District

The bill creates a professional football stadium district to administer the renovation of Lambeau Field. The district will have power over the construction, maintenance, management and acquisition of the football stadium and facilities; the issuance of bonds and imposition of a sales and use tax to finance the stadium and facilities; and the authority to enter into partnerships or agreements to facilitate Lambeau Field's renovation. The district has the authority to set and collect fees for the use of the stadium or the right to purchase tickets to events at the stadium (personal seat licenses).

The district will be governed by a board that consists of two people appointed by Governor Thompson, two people appointed by Mayor Paul Jadin of Green Bay, two people appointed by Brown County Executive Nancy Nusbaum and one person appointed by the Village President of Ashwaubenon, Ted Pamperin. The district board has the authority to dissolve the district, subject to payment of the district's bonds and fulfillment of any other contractual obligations. After its dissolution, the district's property will be transferred to Brown County and the municipalities in Brown County proportionally, based on the contributions made to the project by each municipality and Brown County. The Secretary of the Department of Administration will determine the exact proportions of property ownership. Under the bill, Brown County or one of its municipalities may make grants or loans, or lease or transfer property to the district. Brown County or one of its municipalities may also expend public funds or borrow money to fund loans or grants to subsidize the district.

Bonding

Under the bill, the district may issue revenue bonds for actions required to renovate Lambeau Field. These actions may include purchasing or leasing equipment and other costs associated with construction. The bonds issued by the district may be secured by the district's interest in, and income derived from, Lambeau Field; by proceeds of bonds issued by the district; and investment earnings on any taxes that the district imposes. The bill states that the bonds are not a general obligation liability of the district and the district may not pledge its full faith and credit on the bonds.

The bill directs the district to establish a special debt service reserve fund, subject to the Secretary of Administration's authorization. If there is not enough money in the special debt service reserve fund to meet the special debt service reserve fund requirement established in the bill, the legislature will appropriate enough state money to make up the difference between the money in the fund and the amount of money that is required to be in the fund. This is known as the "state moral obligation pledge". The special debt service reserve fund requirement is determined in the bond resolution authorizing the issuance of the bonds.

In order for the state to back a special debt service reserve fund with the state moral obligation pledge, the Secretary of Administration must find that the bond proceeds will be used for purposes related to Lambeau Field: that the bonds will likely be repaid

without having to dip into the special debt service reserve fund; the total amount of bonds that may be secured by the special debt service reserve fund will not exceed \$160 million; and all bonds, other than refunding bonds, must be issued no later than December 31, 2004.

In addition to creating a state moral obligation pledge, the bill provides that the state will not limit or alter the duties and responsibilities given to the district before the district has fully discharged its duties and contracts and issued its bonds. The bill authorizes certain state and local government funds and certain financial institutions to invest in the district's bonds. The bill limits the personal liability of the members of the district board with respect to the issuance of bonds.

Taxation

The district may adopt a resolution to impose a 0.5% sales and use tax in Brown County subject to the approval of voters in a Brown County referendum. The referendum may be held at any regularly scheduled election or at a special election. The Brown County Board will determine the date of the referendum. The tax revenue may be used for purposes related to the Lambeau Field renovation. Generally, the tax may not be imposed after the district has retired its bonds.

The income of the district is exempt from the income and the franchise tax, and the income and interest from the district's obligations are exempt from income and franchise taxes. The bill creates a sales tax exemption for parking and for personal seat licenses.

Transportation Aids

The Department of Transportation (DOT) is authorized to make aid payments to the district for transportation improvements related to the Lambeau Field renovation. This bill does not appropriate any funds for such aid payments. It has been suggested that the Governor will include funding for such transportation aids in his next biennial budget.

Applicability of Other Laws

Currently, there are several laws that apply to special purpose districts and local units of government. Among the laws that will apply to the professional football stadium district are:

- The district must adhere to public notice and access to district board meetings laws.
- The district must adhere to worker's compensation, unemployment insurance, minimum wage and family and medical leave laws.
- Restrictions on employers testing employees and prospective employees for HIV.

- Tort and antitrust liability limitations.
- Lambeau Field and its related facilities are exempt from the property tax.
- The district may exercise eminent domain powers if a necessity is shown.
- Purchases made by the district, other than building materials, are subject to sales taxes.
- The district may participate in the state retirement system, deferred compensation plans, health care plans and disability and survivor benefits.
- The assets and liabilities of the district are not the assets and liabilities of Brown County.

Miscellaneous Provisions

- The Legislative Audit Bureau may audit the records of the district. The Joint Legislative Audit Committee may review the district's performance.
- The Building Commission, upon request of the district, may consult the district on financial matters and aid in the issuance of bonds.
- District board members are subject to state ethics codes for local public officials. They are not subject to periodic reporting requirements.
- In public construction contracts with a local unit of government, a bonding requirement applies to any contract exceeding \$50,000. This bill exempts a public construction contract with the district from any bonding requirement.

SENATE REPUBLICAN C A U C U S

FEB 2 1 2000 July B 38 4

TO:

Senate Republicans

FROM:

Ryan Smith

DATE:

February 18, 2000

SUBJECT:

Senate Bill 384 Public Hearing

A public hearing was held yesterday in Green Bay on Senate Bill 384, the Lambeau Field renovation plan. The hearing commenced at 10:30 AM and at that time there were approximately 300 people in the auditorium and the two overflow rooms that were provided for the event. Bob Harlan, the President of the Green Bay Packers, and John Jones, the Packers' senior vice president for administration were the first two people to speak. They were followed by Brown County Executive Nancy Nusbaum and Green Bay Mayor Paul Jadin. Members of the public were then allowed to testify. Several Brown County Board members testified during the hearing. Approximately 60 members of the public testified on the bill, with roughly 55% testifying in favor of the bill. The following is a synopsis of the day's events.

Bob Harlan was the first person to address the committee. Mr. Harlan was given a loud, sustained applause when he was introduced. Mr. Harlan stated that he planned on presenting the renovation plan to National Football League (NFL) officials later in the day. He asserted that the passage of this plan is critical to the future of the Packers because stadiums are the #2 revenue generator for NFL teams behind the revenue they receive from television rights. He pointed out that television revenues are shared equally among the teams while each team keeps their own stadium revenue. Mr. Harlan stated that the Packers were 9th in the NFL in total revenue in 1995, were 15th last year and will be 32nd (out of 32 teams) by 2003. He also said that all of the other 31 teams in the league either have recently moved into a new stadium, are currently constructing one or have developed plans for a new or refurbished stadium. Mr. Harlan then said the Packers have no leverage in this process because they are not going to move anywhere.

John Jones testified next. Mr. Jones began his remarks by describing the Packers' economic impact on Brown County. He stated that the Packers are responsible for \$144 million in direct and indirect spending in Brown County annually. The Packers are

responsible for 1,620 full and part-time jobs in the county and deliver \$9.6 million in tax revenue to the county annually. Mr. Jones then went on to describe the Packers' charitable expenditures. He stated that the Green Bay Packers Foundation and other foundations have delivered \$1.75 million to Brown County charities. He also pointed out that the Packers allow Green Bay-area charities to operate the concession stands at Lambeau Field and that these charities received \$3 million during the 1990's from running the stands. Mr. Jones went on to state that the Packers' financial share of this renovation project (\$150 million) would be the 5th largest private contribution for a stadium project in NFL history.

Committee members then asked the Packers' officials some questions. Sen. Decker asked Mr. Harlan if he supported ending the sales tax after the \$160 million in bonds were paid off. Mr. Harlan avoided answering the question by stating that the Packers had some questions regarding maintenance of the facility and they were working with the Legislative Fiscal Bureau on the issue. Sen. Erpenbach asked Mr. Harlan about the maintenance costs of the project. It has been suggested that, as the bill is currently written, the Packers will be able to use the sales tax revenues to pay for ongoing maintenance of Lambeau Field. This concerns Sen. Erpenbach and other Senators. Mr. Harlan stated that it is being discussed with the Fiscal Bureau and it is the Packers' hope that the stadium district will be responsible for the maintenance costs. He stated that the maintenance costs for the stadium will be approximately \$4 million annually. Sen. Chvala asked about selling naming rights for the proposed atrium and entrance gates. He also wondered if the Packers' had considered using any naming rights revenue to pay for maintenance. Mr. Harlan stated that they had not yet had any discussions with anyone regarding naming rights and if they did, it was his hope that the Packers would be able to keep any naming rights revenues.

Brown County Executive Nancy Nusbaum testified next. She stated that it was unfortunate that none of the Senators who represent Brown County were on the Committee. She stated that Brown County was being shut out of the process and it was unfair that the state (Governor Thompson) could appoint two members to the stadium district board when Brown County is the only county that will have to pay the sales tax. She feels that the Packers should be searching for more revenue options so the tax burden on Brown County citizens will be lessened. She stated that the bill doesn't define how long the tax will be imposed and what the tax revenues can be spent on clearly enough. Sen. Chvala agreed and said the bill must be tightened up so the mistakes of Miller Park aren't repeated (leasing the retractable roof). Sen. Chvala asked County Executive Nusbaum if she thought that Brown County could administer the project instead of a stadium district. She stated that it could and that idea was something that she was very interested in. She questioned the state's involvement in the project because little or no state money is going to the project.

Green Bay mayor Paul Jadin was the next to speak. Mayor Jadin also had questions on how long the tax would be imposed and what the eligible expenses that it could cover were. He also stated that since Brown County residents would pay for the vast majority

of the project, any new season tickets and any single game tickets that became available should go to Brown County residents only.

Finally, it was time for the general public to speak. Nearly all of the people who spoke said they supported the Packers, but many felt that it was not fair for Brown County residents to have to pay for most of the project. Many people had clever ideas on how to pay for the project (most were illegal or impossible to work out). Several members of the Brown County Board spoke and all of them felt as though they have been shut out of the process. Many reiterated earlier concerns that the bill is too open-ended and that the Governor should not be permitted to appoint over 25% of the stadium district board. A representative of the Green Bay Catholic Diocese explained how much the Packers do for local charities as well as how much time and effort the players devote to the community. He closed by saying to the Committee "If we don't keep the Packers, where will you campaign on Sundays?"



P.O. Box 7882 · Madison, WI 53707-7882 (608) 266-8820 · Fax (608) 264-6957

TO:

SENATOR MARY PANZER

FROM:

BRIAN RYBARIK AND RAY SOBOCINSKI

RE:

PACKER STADIUM PROPOSAL

Senator Chvala introduced two proposals late Monday afternoon on the Packer Stadium proposal.

The main bill (LRB-4789) authorizes Brown County to issue general obligation bonds for the financing of new stadium facilities at Lambeau field. The question will be posed to Brown County voters during the September 2000 primary election.

The mechanism for funding of the proposal is currently available to the county without legislative action. The proposal would allow Brown County to authorize these bonds with payments made by a property tax levy. The 0.5 % sales tax allowed by this bill is currently allowable to the county for the purpose of reducing property taxes in the county. It is our opinion that this bill does not authorize any taxing or bonding authority that Brown County does not already have.

The bill does not expire the 0.5% tax upon conclusion of the debt service meaning this tax would continue for property tax relief after the stadium requirements are met.

Chavla's other bill (LRB-4686/2) would authorize the Department of Transportation to issue special Green Bay Packer license plates and authorize Brown County to enter into agreements with the Packers for the sale of commemorative bricks at the new facility. The bill states that any revenue from these sources would be applied to the construction and renovation of Lambeau field.

The bill also provides an exemption from state income taxes the interest earned on bonds.

If you have any questions please feel free to contact us.

SubtoAB892

CHuala

		Scene	
	Assembly Bill 730	Assembly Bill 892	LRB-4789/1
C4- 1	0 1 1 1		
Stadium	Creates stadium district	Creates stadium district	No stadium district is
District	with in Brown County	with in Brown County	created under this draft.
	which would have the	which would have the	·
	power to construct,	power to construct,	
	manage and maintain a	manage and maintain a	
	stadium facility.	stadium facility.	
Other	The district would become	The district would become	All bonding authority
district	a local unit of government	a local unit of government	would be given to Brown
authority	with the power to issue	with the power to issue	County. The bill
	revenue bonds, impose a	revenue bonds, impose a	authorizes the county to
	sales and use tax of no	sales and use tax of no	issue general obligation
	more than 0.5% (with	more than 0.5% (with	bonds or promissory
	referendum approval).	referendum approval).	notes for the purpose of
	The draft specifies that the	The draft specifies that the	constructing the
	amount of all bonds for	amount of all bonds for	facilities. The draft states
	this purpose will not	this purpose will not	that the bonding amount
	exceed \$160 million.	exceed \$160 million.	may not exceed \$160
		, , , , , , , , , , , , , , , , , , ,	million.
Ref.	Requires a referendum	Requires a referendum	Requires binding
Require	before the sales tax is	before the sales tax is	referendum for the
_	imposed.	imposed.	issuance of bonds.
Stadium	Bill creates a stadium	Bill creates a stadium	No board is created, all
Board	board made up of	board made up of	power is given to Brown
	- 2 members appointed	- 2 members appointed	County.
	by the governor	by the governor	County.
	- 2 members appointed	- 2 members appointed	•
	by the Mayor of Green	by the Mayor of Green	
	Bay	Bay	
	- 2 members appointed	- 2 members appointed	
	by the Brown County	by the Brown County	
	Executive	Executive	
	- 1 member appointed	- 1 member appointed	
	by the Village of	by the Village of	
	Ashwaubenon	Ashwaubenon	·
	President	President	
	Tiobidoitt	1 Testuciji	·
	The Governor would	The Governor would	
·	appoint the chairperson of	appoint the chairperson of	
	the board.	the board.	
Tax	Bill creates income tax	No exemptions are	The hill door not in all 1
exempt	exemptions for the income	included in the bill.	The bill does not include
status	of the stadium district and		any exemptions. The
Seells	the income and interest	However, it is believed	Leg. Council memo
	from the district's	that Representative Gard	states that current law
<u> </u>	nom the district s	will include all the tax	would already exempt

	obligations.	exemptions in an	the building materials
		amendment to the bill. If	and supplies for the
	Sales tax exemptions are	the exemptions are an	facility. Exempt property
	created for parking related	amendment, it is not	already includes parking
	to the facilities and for the	required to go to the Joint	
	one-time seat license	Committee on Tax	lots, garages etc
•	increases proposed by the	Exemptions.	C11-'
	Packers.	Exemptions.	Chavala's second bill
	Fackers.		(LRB-4686/2) includes
			an income tax exemption
			for interest earned from
		<u> </u>	bonds issued by the
N.Mindom	A 11 C		county.
Mainten-	Allows for maintenance	Allows for maintenance	This bill would not cover
ance costs	costs to be covered by the	costs to be covered by the	maintenance costs.
	tax collections or revenue	tax collections or revenue	
	from bonds.	from bonds.	
Sunset of	States that no taxes may	States that no taxes may	No sunset of the county
tax	be collected after the	be collected after the	tax is expressly stated in
	retirement of bonds	retirement of bonds	this legislation.
	related to the football	related to the football	
	stadium.	stadium. It is believed	
	•	that an amendment to the	
		bill will reorder the	
		payment of maintenance	
		costs and debt service to	
		allow for earlier	
		retirement of the bonds.	
Prevail-	Since the stadium district	Since the stadium district	This bill states that the
ing wage	(a local unit of	(a local unit of	construction of the
laws	government) would	government) would	stadium (no matter who
	contract with the Packers	contract with the Packers	is responsible) is subject
	to construct the stadium,	to construct the stadium,	to the prevailing wage
	no prevailing wage	no prevailing wage	requirements. The bill
	requirements would apply.	requirements would apply.	also states that there
	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	requirements would apply.	would be a certain
		1	1
		1	amount of employees
		1	under the construction
		1	contract will be
		1	minorities (25%) and a
*		1	certain amount be
	•	1 ·	women (5%).
		de	
<u>.</u>			

,

۵

file poles

SENATE REPUBLICAN C A U C U S

March 10, 2000

MEMORANDUM

TO: Republican Senators and Legislative Staff

FR: Brian Rybarik

RE: Review of Joint Briefing on the Green Bay Packer Legislation

On Wednesday March 8, 2000, a briefing was held for Legislators and staff regarding Senate Bill 384 and Assembly Bill 730. These bills are companion legislation dealing with the Green Bay Packers stadium proposal.

The Legislative Audit Bureau and the Legislative Fiscal Bureau provided the briefing in the Assembly Chambers. Both agencies have prepared documents recently regarding the Packers and their proposal. The briefing basically walked through the documents the agencies have produced. Below are some of the questions raised by legislators at the briefing.

If you have any questions about the stadium proposal or would like copies of the respective reports, please do not hesitate to call.

Jan Mueller of the Audit Bureau began the discussion by stating that the current financial situation of the Packers is good. They have had a number of years with record earnings and currently have \$83.9 million of retained earnings. She stated that the Packers financial condition contrasted greatly from the financial situation of the Brewers at the time of the Miller Park debate.

Representative Johnsrud asked about the 6% growth figure used in the Fiscal Bureau Analysis. Given the fact that many of the estimates are based on this amount of growth, he wanted to know how they arrived at this figure.

Bob Lang answered that the 6% was arrived at by studying state trends over the past 20 years. The average growth rate during this period was approximately 6%. He further stated that the tax revenue that would be needed for debt service, principal payments and operating costs would require collections of \$390 million.

Representative Hutchison raised some concerns about the fact that the audit bureau was not able to look at all the Packers books including their general and subsidiary ledgers and how this affected the audit.

Jan Mueller responded that the Packers were very helpful in providing most of the information requested. There are a number of confidentiality agreements that prohibited the Packers from providing some of the information. She felt that it didn't hurt the overall picture of the Packers organization, but it does limit the Bureau's ability to answer in great detail what is driving the costs and revenues of the Packers.

Director Lang furthered Jan's comments by stating that the Fiscal Bureau had no trouble getting information from the Packers or the National Football League.

Representative Olsen asked about the Packers getting into other businesses such as the Restaurant and the Pro Shop that are in their proposal. He questioned what the trends are in the NFL.

Jan Mueller stated that the trend has been for teams to try and increase amount of revenue from local sources because it is not subject to the NFL revenue sharing rules. Revenue from broadcasting and ticket sales are all shared among the leagues 32 teams however local income from the Pro Shop and suites are not subject to the sharing rules. Other revenue sources are also exempt if they are for the sole purpose of stadium expansion or construction. The recent Packer stock sale revenues are being fully retained by the Packers because they will be used for this project.

The audit shows that this project will allow the Packers to move into the top one-third of all teams in the area of local revenue. Jan pointed out that given this trend toward a "stadium driven" economy in the league, it is difficult to predict how long the Packers can remain in the third.

Representative Olsen also asked if this project could be done without state involvement.

According to the Fiscal Bureau summary (pages 46 and 47) the answer may be "yes." The Fiscal Bureau believes the County could issue general obligation bonds and use its property taxation authority to repay the bonds. This authority to issue bonds is subject to a constitutional debt limit, but based on Brown County's current level of it is unlikely that the Lambeau Field renovation would force the County to exceed the limits.

The County currently has the authority to impose a 0.5% sales and use tax under which the proceeds must be used for property tax relief.

The County can issue bonds and use its property taxation authority to repay them therefore raising property taxes. Then the County could impose a 0.5% sales tax for the purpose of lowering the property tax burden. While this sales not would not have a direct link to the stadium project, no bill would need to pass the legislature for this action to take place.

Representative Suder asked about the transportation projects in the bill. While he recognized that no money was appropriated for the projects in this bill (the bill sets up an appropriation) he wondered if the language was essentially an enumeration of the project.

The answer is no. Representative Suder may have been concerned that this project could have been completed using transportation fund dollars without further legislative approval. However, enumerated projects come under the DOT's major projects area, which this would not fall under. Director Lang was told that it is the Packer's intention to have money appropriated in the next biennium.

flyactors bill

SENATE REPUBLICAN C A U C U S

MAR 1 3 2000

March 13, 2000

MEMORANDUM

TO: Republican Senators and Legislative Staff

FR: Brian Rybarik

RE: Review of Joint Briefing on the Green Bay Packer Legislation

On Wednesday March 8, 2000, a briefing was held for Legislators and staff regarding Senate Bill 384 and Assembly Bill 730. These bills are companion legislation dealing with the Green Bay Packers stadium proposal.

The Legislative Audit Bureau and the Legislative Fiscal Bureau provided the briefing in the Assembly Chambers. Both agencies have prepared documents recently regarding the Packers and their proposal. The briefing basically walked through the documents the agencies have produced. Below are some of the questions raised by legislators at the briefing.

If you have any questions about the stadium proposal or would like copies of the respective reports, please do not hesitate to call.

Jan Mueller of the Audit Bureau began the discussion by stating that the current financial situation of the Packers is good. They have had a number of years with record earnings and currently have \$83.9 million of retained earnings. She stated that the Packers financial condition contrasted greatly from the financial situation of the Brewers at the time of the Miller Park debate.

Representative Johnsrud asked about the 6% growth figure used in the Fiscal Bureau Analysis. Given the fact that many of the estimates are based on this amount of growth, he wanted to know how they arrived at this figure.

Bob Lang answered that the 6% was arrived at by studying state trends over the past 20 years. The average growth rate during this period was approximately 6%. He further stated that the tax revenue that would be needed for debt service, principal payments and operating costs would require collections of approximately \$390 million.

Representative Hutchison raised some concerns about the fact that the audit bureau was not able to look at all the Packers books including their general and subsidiary ledgers and how this affected the audit.

Jan Mueller responded that the Packers were very helpful in providing most of the information requested. There are a number of confidentiality agreements that prohibited the Packers from providing some of the information. She felt that it didn't hurt the overall picture of the Packers organization, but it does limit the Bureau's ability to answer in great detail what is driving the costs and revenues of the Packers.

Director Lang furthered Jan's comments by stating that the Fiscal Bureau had no trouble getting information from the Packers or the National Football League.

Representative Olsen asked about the Packers getting into other businesses such as the Restaurant and the Pro Shop that are in their proposal. He questioned what the trends are in the NFL.

Jan Mueller stated that the trend has been for teams to try and increase amount of revenue from local sources because it is not subject to the NFL revenue sharing rules. Revenue from broadcasting and ticket sales are all shared among the leagues 32 teams however local income from the Pro Shop and suites are not subject to the sharing rules. Other revenue sources are also exempt if they are for the sole purpose of stadium expansion or construction. The recent Packer stock sale revenues are being fully retained by the Packers because they will be used for this project.

The audit shows that this project will allow the Packers to move into the top one-third of all teams in the area of local revenue. Jan pointed out that given this trend toward a "stadium driven" economy in the league, it is difficult to predict how long the Packers can remain in the top third.

Representative Olsen also asked if this project could be done without state involvement.

According to the Fiscal Bureau summary (pages 46 and 47) the answer may be "yes." The Fiscal Bureau believes the County could issue general obligation bonds and use its property taxation authority to repay the bonds. This authority to issue bonds is subject to a constitutional debt limit, but based on Brown County's current level of it is unlikely that the Lambeau Field renovation would force the County to exceed the limits.

The County currently has the authority to impose a 0.5% sales and use tax under which the proceeds must be used for property tax relief.

The County can issue bonds and use its property taxation authority to repay them therefore raising property taxes. Then the County could impose a 0.5% sales tax for the purpose of lowering the property tax burden. While this sales tax would not have a direct link to the stadium project, no bill would need to pass the legislature for this action to take place.

Representative Suder asked about the transportation projects in the bill. While he recognized that no money was appropriated for the projects in this bill (the bill sets up an appropriation) he wondered if the language was essentially an enumeration of the project.

The answer is no. Representative Suder may have been concerned that this project could have been completed using transportation fund dollars without further legislative approval. However, enumerated projects come under the DOT's major projects area, which this would not fall under. Director Lang was told that it is the Packer's intention to have money appropriated in the next biennium.



P.O. Box 7882 · Madison, WI 53707-7882 (608) 266-8820 · Fax (608) 264-6957

TO:

SENATOR MARY PANZER

FROM:

BRIAN RYBARIK

RE:

ASSEMBLY ACTION ON THE PACKER STADIUM PROPOSAL

On Tuesday March 21, 2000, the Special Committee on the Renovation of Lambeau Field took action on a number of items. The bill officially before the committee was Assembly Bill 892. This bill is identical to the original Packer legislation (AB 730) except it removed all language relating to tax exemptions.

There were two major substitute amendments offered, one by Representative Gard and one by Representative Ziegelbauer, as well as a number of simple amendments. The committee's actions are described below.

The 12 members of the Assembly Committee are Representatives Gard, Hutchison, Spillner, Freese, Jeskewitz, Huebsch, Ziegelbauer, Ryba, Cullen, Meyer, J. Lehman and Sinicki.

LRB-0449 (Ziegelbauer)

The committee addressed this substitute amendment first. The amendment is similar to the Chvala-Decker proposal in that it gives all oversight of the project to the county. This amendment would have funded the project in the same way as Chvala's bill. The funding would be provided through general obligation bonds, authorized by the county against the county's property tax levy (if approved by a referendum). A 0.5% sales tax would be authorized by the county which would be used to reduce the property tax levy in the county.

As with the Chvala-Decker bill, the county is provided no new authority by this amendment. The county already has the ability to issue general obligation bonds and to impose a 0.5% sales tax for property tax relief. There is no cap on the amount of money that could be raised by the sales tax. The author felt that local officials would best decide the limitations, if any, on the tax.

The amendment failed on 4-8 vote with Representatives Ziegelbauer, Ryba , Cullen and J. Lehman voting for the amendment.

LRB-0448 (Gard)

The Committee then began action on Representative Gard's substitute amendment. This amendment makes a number of changes to the bill including:

- specifies that stadium board appointments must be made within 30 days after the district is created
- at least one of the Governor's appointments would have to be from Brown County
- board members will serve at the pleasure of the appointing authority
- if the referendum were to fail, the district would immediately dissolve
- eminent domain authority would not be provided to the stadium district
- the amendment states the referendum language to say:

"Shall a sales tax and a use tax be imposed at the rate of __% in ____ County for the purposes related to football stadium facilities in the ____ Professional Football Stadium District"

- the referendum would be held on a date specified by the county board no earlier than 45 days and no later than 120 days after the district adopts a resolution imposing the tax
- the amendment allows the tax to be set no higher than 0.5% in one-tenth of one cent increments
- require that the revenues from the tax revenue could only be used for the following:
 - a. annual debt service on the revenue bonds
 - b. facility maintenance and operating expenses of \$4,031,000 in the first year and a 3% increase per year for up to 27 years after the initial payments or until the District board determines that enough is in the fund to satisfy the remaining District maintenance obligations
 - c. district administration expenses of \$750,000 in the first year, \$500,000 in the second year and \$200,000 per year thereafter for up to 29 years or until the District determines that the fund has enough to fund to fulfill the District's administration obligations.
 - d. after the annual expenses for the above items are covered, the amendment allows for excess revenues to go to retiring bonds earlier and to setting up a reserve fund for future maintenance and operating costs.
- the amendment includes all the tax exemptions included in the original legislation (AB 730)
- the amendment also includes language to mandate the prevailing wage laws of the state be incorporated into any contract for the construction of the stadium

There were a number of simple amendments offered to this substitute amendment.

Motion 32 (Cullen)

States that in the event the District were to identify revenue sources such as the sale of bricks or plaques, that this revenue would go to pay down the debt rather than going to the Packers. Revenue sources such as naming rights are not covered by this amendment. The amendment passed 12-0.

Motion 34 (Cullen) failed

Would limit any state transportation aid to the District to \$4.55 million and require matches from the county and municipality for any money to be released. The amendment failed 5-7, with all Republicans and Representative Meyer voting "no."

Motion 35 (Cullen) failed

The amendment would prohibit the DOT from making any appropriation for the Packer stadium renovation. The amendment failed 5-7, with Representative Meyer voting with the Republican members against the amendment.

Motion 36 (Cullen)

This amendment stated that any revenue from selling the naming rights to the stadium would go toward paying down the debt rather than to the Packers. The amendment failed 5-7, with Representative Meyer again voting with the Republicans against the amendment.

Motion 37 (Ziegelbauer) falled

This amendment attempted to delete language that provides money for the administration and operation of the stadium district. Instead, the district would have to identify other revenue sources for its own administration. This amendment failed 4-8, with both Representatives Meyer and Sinicki voting along with the Republicans against the amendment.

Motion 38 (Ziegelbauer)

This amendment would have deleted the authority for the Stadium District to use tax money for the maintenance costs. This motion failed 3-9, with only Ziegelbauer, Cullen and J. Lehman voting for the change.

fulled

failed

Motion 39 (Ziegelbauer)

This motion would have specified two additional questions to be added to the referendum. The additional questions would ask the voter about the specific uses of tax money including whether or not the sales tax revenue could be used for operating and maintenance costs. This motion failed on a 3-9 vote, with only Ziegelbauer, Cullen and J. Lehman voting in favor.

Motion 40 (Cullen) failed

Stated that the luxury box proceeds would be subject to a sales tax. The motion failed 5-7, with representative Ryba voting with the Republicans.

Motion 44 (Ryba)

This motion would not allow games to be blacked out (not televised) in Green Bay. Because of NFL TV agreements, this bill would simply force the Packers to buy any tickets that are not sold for games. A sold out game would not be subject to a blackout. The amendment passed 7-5, with the Democrats and Representative Spillner voting in favor of the measure.

passed

Motion 47 (Spillner) passed

This amendment would allow for a check-off on the state income tax forms allowing all state residents to help pay down the debt associated with this renovation project. A friendly amendment clarified that the check-off would not apply after the bonds are retired. This motion (as amended) passed on an 11-1 vote, with only Representative J. Lehman voting against it.

Motion 48 (Freese)

The motion would require the Packers to sign a 30-year lease agreement with the Stadium District which would not allow them to leave during the life of the debt service. This amendment passed 12-0.

Motion 50 (Ryba)

This amendment would allow season ticket holders to receive the one-time user fee on tickets if they give up their tickets. The one-time user fee of \$2,000 per seat (different amounts for Milwaukee series and Green Bay series ticket holders) would be refunded when a person gave up their season tickets. It is assumed that the new season ticket holder will then pay this amount. The amendment passed 10-2, with only representatives Jeskewitz and Huebsch voting against it.

Motion 52

Would have set the amount of minority and female participation required in the construction of Lambeau Field. This motion failed on a 6-6 party line vote, with Republicans voting against the measure.

failed

Rassed

Motion 31 (Ziegelbauer)

This amendment stated that every year the District Board would determine if the taxation rate could be reduced if the district is meeting all the required payments under the bill. The reductions could be in one-tenth of one percent increments. The amendment would have allowed the county to impose a tax equal to the reduction, subject to referendum approval. The motion failed 4-8, with Representatives Meyer and Sinicki voting with the Republicans against the amendment.

Final passage of the Bill, as amended:

The bill, as amended passed on a 9-3 vote.

Ayes: Gard, Hutchison, Spillner, Freese, Jeskewitz, Huebsch, Ryba, Meyer and Sinicki

Noes: Ziegelbauer, Cullen and J. Lehman